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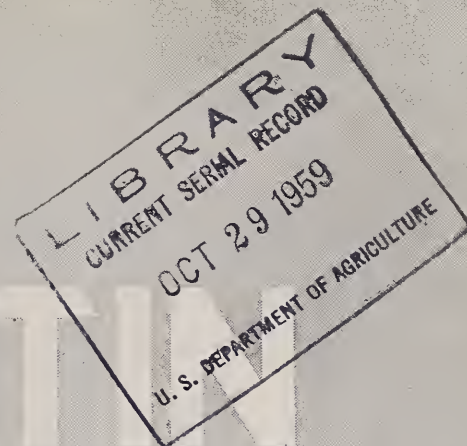
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Review

# Market Administrator's

# BULLETIN



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MARKET ADMINISTRATOR

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ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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## Number of Milk Cows Declined Less This Year Than Last

The number of milk cows in the United States increased steadily from 1920 to 1944, except for interruptions in the late 1920's and after the drought of the mid-1930's. The number of milk cows tended to increase steadily in the period 1920-1944 because the rate per cow was not increasing so rapidly as in more recent times, and the demand for milk products expanded with the population more closely then, than more recently. In the last two decades, substantial declines in demand for some products occurred so that the increase in total demand for dairy products did not match the increase in population.

The mid-year number of milk cows in 1944 reached a record high of 25.6 million head. Since 1944, the number has declined each year except for a slight increase in 1953. It was down to 19.3 million head as of June, 1959. This is a drop of 6.3 million head or 25 percent from the 1944 level. Declines of 4 percent each year were made in 2 years from 1945 to 1946 and 1947 to 1948. From 1949 through 1957 the annual decline did not exceed 2 percent and, as indicated above, increased in 1953. It was 3.4 percent lower in June, 1958 than a year earlier, and the June, 1959 figure was 2.4 percent under that of June, 1958.

The largest downward adjustment in number of milk cows in the last 15 years has been in the West North Central and South Central States. In these regions, sale of butterfat for making creamery butter was an important part of the dairy economy, and, more than in other regions, alternative farm enterprises to which resources could be shifted from dairy were readily available. Throughout this adjustment period the decline in number of milk cows has been greater in

those States where alternatives were available or, where the income from dairy products accounted for a relatively small proportion of the total agricultural income of the State.

In such States as Wisconsin, New York and Vermont, where the income from dairy products recently accounted for more than 50 percent of cash receipts, the number of milk cows has tended to remain more nearly stable, or despite substantial drops in other areas to increase at times. In 1944, the peak year for milk cow numbers, the West North Central States had the largest number of milk cows of any group of States — 6.6 million head. The East North Central group at that time had a milk cow population of 6.4 million head, followed by the South Central States with 5.2 million. In June, 1959, the East North Central States led in the cow population with 4.9 million head, followed by the West North Central group — 4.3 million, and the South Central States with 3.5 million. In 1945, for the first time, the East North Central States were first in the total number of milk cows.

(Continued on page four)

## Exports of Feed Grains Increase to 12 Million Tons

The total tonnage of feed grains exported in the 1958-59 marketing year is expected to reach a new record of about 12 million tons, 1.5 million more than in 1957-58. Exports of corn, barley and sorghum grains are all expected to set new records. A total of 225 million bushels of corn including grain equivalent of products, is expected to be exported during the current October-September marketing year, 25 million more than in 1957-58 and a little above the previous record exports of 1897. Barley exports during the July-June marketing year totaled about 118 million bushels, 27 percent above 1957-58, and oats exports of about 33 million bushels were the largest since 1925-26. Sorghum grain exports have increased sharply during the past two years and are expecting to set a new record of about 90 million bushels for the current marketing year.

The increase in exports this year follows an upward trend that has been underway since 1953. Exports this year are nearly three times those of 5 years ago and are nearly double the 1953-57 average. Increasing livestock production in Europe and some other areas has resulted in a growing demand for feeds and has been at least partly responsible for heavier exports. During the years 1954-57 much of the grain exported came from CCC stocks. But in the past year, a large share has come from commercial channels under the payment-in-kind program.





*Columbus*

## MARKET FACTS FOR EASY REFERENCE

### PRICE SUMMARY

	August 1959	July 1959	August 1958
Producers' Uniform Price (3.5%) .....	\$4.37	\$3.76	\$4.25
Producers' Uniform Price (4%) .....	4.75	4.125	4.615
Class I (3.5%) .....	4.479	4.293	4.383
Class II (3.5%) .....	4.079	3.893	3.983
Class III (3.5%) .....	3.753	3.499	3.883
Class IV (3.5%) .....	3.054	2.879	2.880
Producer Butterfat Differential for each 1/10% .....	7.6¢	7.3¢	7.3¢

### UTILIZATION SUMMARY

Percent of Producer Milk in Class I.....	85.2	79.6	83.9
" " " B.F. " " I.....	83.8	78.2	81.3
" " " Milk " " II.....	9.1	8.3	9.0
" " " B.F. " " II.....	2.8	2.5	2.5
" " " Milk " " III.....	2.3	4.1	2.8
" " " B.F. " " III.....	5.3	6.2	5.2
" " " Milk " " IV.....	3.4	8.0	4.3
" " " B.F. " " IV.....	8.1	13.1	11.0

### PRODUCTION SUMMARY

Total Pounds of Producer Milk Delivered .....	25,347,579	26,599,943	22,444,604
Average Daily Class I Producer Milk .....	696,823	682,833	607,381
Total Number of Producers .....	1,738	1,749	1,782
Average Daily Production per Producer .....	471	491	406
Average Butterfat Test .....	3.64	3.67	3.71
Total Value of Producer Milk at Test .....	\$1,132,414.28	\$1,123,999.87	\$988,093.95
Income per Producer (7 Day Average) .....	\$147.13	\$145.12	\$127.46

### GROSS CLASS USE (Pounds)

Class I Skim .....	20,834,086	20,403,867	18,169,248
" I B.F. ....	772,199	763,947	677,789
" I Milk .....	21,606,285	21,167,814	18,847,037
" II Skim .....	2,346,590	2,278,887	1,993,124
" II B.F. ....	25,919	24,762	20,834
" II Milk .....	2,372,509	2,303,649	2,013,958

### AVERAGE DAILY SALES (Quarts)

Milk .....	278,263	277,560	243,146
Buttermilk .....	7,436	7,468	6,548
Chocolate .....	14,454	13,365	11,341
Skim .....	10,097	10,694	8,168
Cream .....	7,553	7,682	7,119

**COMPARATIVE STATISTICS ★**

**COLUMBUS MARKETING AREA**

★ **Aug., 1950-59**

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1950	18,786,228	3.95	69.1	22.2	8.7	—	3.93	4.096	3.696	3.020	—	2,128	285
1951	18,888,092	3.87	73.6	21.3	5.1	—	4.54	4.696	4.296	3.493	—	2,114	288
1952	19,286,647	3.85	72.9	25.0	2.1	—	4.96	5.078	4.678	3.902	—	2,122	293
1953	22,847,072	3.77	68.9	22.0	9.1	—	4.38	4.61	4.21	3.433	—	2,223	331
1954	22,164,011	3.78	73.6	7.9	10.8	7.7	4.10	4.277	3.877	3.877	3.101	2,157	331
1955	22,723,836	3.70	77.0	8.9	11.3	2.8	4.33	4.427	4.027	4.027	3.151	2,089	351
1956	24,008,583	3.70	76.0	9.8	9.5	4.7	4.34	4.496	4.096	4.096	3.220	2,032	381
1957	23,766,796	3.64	80.7	8.8	6.7	3.8	4.41	4.579	4.179	4.079	3.076	1,892	405
1958	22,444,604	3.71	83.9	9.0	2.8	4.3	4.25	4.383	3.983	3.883	2.880	1,782	406
1959	25,347,579	3.64	85.2	9.1	2.3	3.4	4.37	4.479	4.079	3.753	3.054	1,738	471

## Price Support Purchases Reduced for Butter; Increased for Cheese

With milk produced so far this marketing year reduced from a year ago, and with strong consumer demand, particularly for ice cream and fluid milk, the quantity of milk available for producing manufactured dairy products has fallen below last year. As indicated earlier, butter production has adjusted downward more than any other product. In the period April through July, butter

production was below a year earlier by about 34 million pounds. Storage stocks increased by 3 million pounds less this year than in the period from April to July 31, 1958. The reduction of 18.3 million pounds in the volume of butter purchased by CCC accounted for only part of the reduced supply of butter. This calculation suggests that civilian consumption of butter in total was a little smaller in the April-July quarter this year

than last, and this indication is confirmed by the regular monthly disappearance data. The volume of cheese purchased under the price support program made the greatest adjustment from the 1957 to the 1958 marketing year. Purchases of cheese dropped from 248 million pounds in the marketing year ended March 31, 1958 to 35 million pounds in the marketing year ended March 31, 1959.

## Slightly Less Feed Grains Placed Under Price Support from 1958 Crops

A total of 22.3 million tons of feed grains was placed under price support from the 1958 crops, 6 percent less than the record tonnage in 1957-58. The 381 million bushels of corn placed under price support were only 12 million more than in 1957-58 and less than was expected earlier, considering the record 1958 crop. Heavy disappearance of 1958 corn and rising prices appear to be largely responsible for holding down the quantity placed under price support.

About 152 million bushels of the 1958 corn placed under price support were grown on farms in the commercial area not complying with acreage allotments. This was 13 million bushels more than from the 1957 crop. This corn was eligible for support at the lower national average rate of \$1.06 per bushel. Most of the remaining 229 million was produced by farmers complying with their acreage allotments, though it also included some corn placed under price support in the noncommercial area.

Farmers have already repaid loans on 50 million bushels of 1958 corn, 42 million of which were under noncompliance loans. Last year farmers repaid loans on most of the 139 million bushels of non-compliance corn placed under price support. Of the total of 369 million bushels of corn placed under price support, farmers delivered to CCC or resealed about 260 million bushels and repaid loans (or did not deliver corn under purchase agreement) on the remaining 109 million bushels.

## Minimum CCC Sales Prices Reduced for 1959-60

Minimum prices at which CCC may sell feed grains in 1959-60 will be substantially lower than in 1958-59 as a result of the reductions in the 1959 support levels. Under present legislation feed grains cannot be sold domestically at less than the "current support rate, plus 5 percent, plus reasonable carrying charges", with certain exceptions, such

as, grain going out of condition or feed grains sold in emergency drought areas. During recent years, the quantity of feed grain sold under the regular domestic sales program has been comparatively small since CCC sales prices have generally been above cash market prices. The drop in support prices for 1959-60 has brought the minimum CCC sale price

for oats, barley and sorghum grain much lower than in 1958-59. The prices at which the grains may be sold are the current market prices or announced minimum prices, whichever are the higher. The smaller crops of these grains, especially oats, could result in heavier demand on CCC inventories during the coming year than in the past few years.



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# THE Market Administrator's BULLETIN

## Number of Milk Cows Declined Less This Year Than Last

(Continued from page one)

In the past year, number of milk cows declined in all regions of the country except the Western States. In the Western States numbers increased .5 percent, Idaho showing the largest increase of any State in the region with 3 percent, the States of New Mexico and Arizona recording gains of 2 percent. California had a 1 percent more cows than a year earlier.

The general downtrend in number of milk cows is largely the result of technological innovations which directly or indirectly are leading to a decline in the number of farms with milk cows. This is only partly offset by the tendency for farms remaining in milk production to increase in size. Farmers often have to expand their capital investments to take full advantage of technological advancements. As 4 percent or more of farms with milk cows are discontinuing dairying each year, it is evident that many operators have alternatives they consider superior to keeping cows, particularly in view of the expanded capital outlay needed to remain in dairying on an efficient basis. On the other hand, farmers who adopt new methods and improve their facilities invariably keep more cows and produce more milk per farm.

Short-term changes in economic relationships effect the rate of decline. Some of these economic relationships are the

## Market Quotations

Aug.  
1959

12 MIDWEST CONDENSERIES 3.5% per Cwt.	\$2.965
5 CONDENSERIES (Cincinnati) 3.5% per Cwt.	2.8050
5 CONDENSERIES (North Central Ohio) 3.5% per Cwt.	2.867
2 CONDENSERIES (Toledo) 3.5% per Cwt.	2.850
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	2.925
Evaporated Milk Code Price, 3.5% per Cwt.	2.839
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati)	3.1077
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.104
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton)	3.128
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo-Tri-State)	3.002
Average Weekly Cheddars price per lb.	.31531
Average price per lb. non-fat dry milk solids, roller process delivered Chicago	.13675
Average price per lb. 92-score butter at Chicago (Equivalent Price)	.6019
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant	.1282

price of feed the prices for such import products as beef cattle and hogs, as well as the milk price itself and the price of milk cows. In 1956 and early 1957 the relationships between milk and feed prices were favorable for dairy farmers. At the same time, dairy prices showed considerable improvement relative to other enterprises, compared with relationships in several years before 1956. These conditions were influential in slowing down the rate of decline in cow numbers in 1956 and early 1957. But during the last 24 months the price of milk has been stable at a somewhat lower level and prices received by farmers for beef cattle have increased sharply. Prices for hogs in part of this period were exceptionally favorable compared with prices for corn but within the last 6 months again have declined. These are the main

changes compared with 2 years ago, and they apparently account in part for the more rapid decline in milk cow numbers during 1958 and 1959 than the two previous years.

Aside from inducing an increase in sales of milk cows for slaughter the increase in meat animal prices resulted in raising the gross receipts from the dairy enterprises as a whole. This helped to offset the influence of the decline in milk prices in 1958-59 compared with 1956-57.

The sharp decline in the price of hogs within the last 6 or 8 months will tend to offset the reducing influence of the relatively high though seasonally declining price for beef cattle. As a result, during the second half of 1959, the downtrend in milk cows numbers may well be less than it was in the first half of the year.